

March 3, 1999

Candice Hall

Health Care Financing Administration

601 E. 12th Street, Room 227

Kansas City, Missouri 64106

Dear Ms. Hall

Please find enclosed the FFY 1998 Annual Report on the Iowa CHIP program. As you know, phase one of the Iowa program began on July 1, 1998, and due to technical problems, we have been delayed in the submission of statistical and financial data for this period. This report is primarily focused on the July —September quarter of 1998 but briefly addresses the activities regarding the implementation of phase 2 of our Title XXI State Plan.

If you have any questions or need additional information, please do not hesitate to contact me at 515-281-8791.

Enclosure

FFY 1998 Annual Report on the Iowa Title XXI Program

Iowa implemented phase one of the Title XXI program as a Medicaid expansion on July 1, 1998. The expansion provides coverage to children, under the age of 19, living in families whose income does not exceed 133% of the federal poverty level. Thus, removing the "stair step" eligibility guidelines that allowed some children in a family to be eligible for Medicaid, based on the age of the child and the family income, while other children were not.

Phase two is a separate insurance program known as Healthy And Well Kids in Iowa (HAWK-I). HAWK-I will provide coverage to children under the age of 19 who are not Medicaid eligible and whose family income does not exceed 185% of the federal poverty level.

Baseline Information

The baseline number of uninsured children in Iowa according to CPS data is approximately 83,000. HCFA estimates that 67,000 of these children are below 200% of the federal poverty limit and could potentially qualify for Title XXI if the State expanded eligibility to the full amount authorized under federal law. Iowa estimates that approximately 15,500 of these children live in families with income that does not exceed 133% of the federal poverty level and will be covered under the phase one Medicaid expansion.

It is estimated that 39,500 uninsured children will qualify for HAWK-I under phase two of the Title XXI implementation.

Implementation Information

The phase one Medicaid expansion was implemented on July 1, 1998. The Department of Human Services initially took four steps to identify potentially eligible children who were already known to the Department:

1. Reviews were conducted of all case records on which a child received Medicaid benefits under the SOBRA coverage group in order to ascertain whether there were older children in the household who would qualify under the expansion. If so, a notice was sent to the family informing them of the new eligibility requirements; and
2. Notices were sent to all families on the Medically Needy program who had to meet a spenddown informing them of the new eligibility requirements; and
3. Notices were sent to all families with children who had been denied or canceled from Medicaid in the three months prior to the expansion informing them of the new eligibility requirements; and
4. The Department worked with the Caring Program for Children (through Wellmark Blue Cross Blue Shield) to identify children participating in that program who would now qualify for Medicaid.

During the last quarter of Federal fiscal year 1998, 4,174 children were added to the Medicaid program who were not eligible prior to the expansion. As of February 28, 1999, this number has increased to 6,522.

Services are provided to these children in the same manner as they are provided to all other children on Medicaid. It is transparent to the applicant that their Medicaid coverage (Title XIX) is being funded with Title XXI moneys.

Outreach

In addition to the four steps indicated above, a brochure and pamphlet was developed. The pamphlet describes the new eligibility criteria and dispels some of the common myths of Medicaid eligibility. A supply of the poster and brochures were mailed to every school building in the State as well as to WICs, Headstarts, and other health-related agencies.

Additionally, the Healthy Families Hot Line, sponsored by the Department of Public Health, was utilized to provide information about the Medicaid expansion until the phase two HAWK-I hot line number was implemented.

It is believed that outreach activities for the HAWK-I program will continue to bring a significant number of children into the Medicaid program.

Crowd Out

Studies have shown that crowd out is not a common phenomenon at this poverty level. At this point in time, the State plans to monitor crowd out in order to ascertain whether preventive measures are necessary at this income level.

Strategic Objectives, Performance Goals and Performance Measures.

Objectives

Objective One: Increase the health status of children in Iowa.

Objective Two: Increase the number of children who have access to health care.

Objective Three: Reduce the instances of hospitalization for medical conditions that can be treated with routine care (e.g. asthma).

Objective Four: Reduce the instances of emergency room visits for treatment of a medical condition that could be treated in another medical setting.

Objective Five: All children participating in the program will have a medical home.

Performance Goals & Measures

Objective One: Increase the health status of children in Iowa.

· Phase 1: Medicaid Expansion: By July 1, 1998, the capacity within the Iowa Department of Human Services, in the following critical areas, will be appropriately upgraded to meet the target of enrolling approximately 15,600 additional children in the Medicaid program in state fiscal year 1999: (1) upgrading data systems with regard to eligibility determination, enrollment, participant information, health service utilization, billing, health status, provider information, etc.; (2) staff training (eligibility workers, administrative staff, and support staff), (3) publications/documents (program manuals, literature for program personnel, consumers and providers, etc.).

· Phase 2: Healthy And Well Kids in Iowa (HAWK-I) Program: By October 1, 1998, the Iowa Department of Human Services will have entered into a contract with a third party

administrator to determine eligibility and enroll an estimated 39,500 children into health plans participating in the HAWK-I program.

· By January 1, 2000, the following health status and health care system measures will show acceptable incremental improvements for at least the following:

1. Seventy-five percent of enrolled children will be appropriately immunized at age two, excluding varicella immunizations. A base line rate for comparison for varicella will be established by a clinical advisory committee. (Both Phase 1 and Phase 2)

2. Eighty percent of enrolled children will participate in EPSDT and receive a well-child visit, as measured by the HCFA 416 (Annual EPSDT Participation Report) participation ratio. (Phase 1: Medicaid Expansion only)

3. Eighty percent of enrolled children will have received at least one preventive dental visit annually. (Both Phase 1 and Phase 2)

Objective Two: Increase the number of children who have access to health care.

· By January 1, 1999, mechanisms to conduct ongoing outreach will have been developed and implemented in four broad areas (1) update/expansion of existing outreach activities; (2) activities to identify, enroll, and serve Iowa's growing qualified refugee and immigrant population; (3) at least 15,000 previously uninsured children will be identified as potential eligibles; (4) by January 1, 1999, 10,000 (2/3 of the eligibles) previously uninsured low-income children will have health insurance coverage through the Medicaid program.

Objective Three: Reduce the instances of hospitalization for medical conditions that can be treated with routine care (e.g.

asthma).

- Percent of children admitted as inpatients for asthma.

Objective Four: Reduce the instances of emergency room visits for treatment of a medical condition that could be treated in another medical setting (e.g. otitis media).

- Reduce the number of emergency room visits for

treatment of non-emergent medical conditions.

Objective Five: All children participating in the program will have a medical home. (Note: this objective does not apply to those children enrolled in the non-Medicaid program in counties in which only an indemnity plan is available under HAWK-I)

- By February 1, 1999, at least 50% of those children enrolled (except those exempted from participation in managed care such as children in foster care) will have a medical home as evidenced by documented assignment of a provider through the MediPASS program or a Medicaid HMO. (Phase 1: Medicaid expansion only)

Challenges, Approaches, and Successes

The phase one Medicaid expansion was implemented in a timely and efficient manner. The ease of implementation was primarily due to the fact that it was merely an expansion

of an existing program and supporting procedures and infrastructure were already in place.

One challenge has been in the area of the Caring Program for Children. Many families refused to cooperate in obtaining Medicaid coverage for their children because of the "welfare stigma" associated with Medicaid even though they knew their children could now qualify for a much richer package of benefits. The Department continues to work with Wellmark Blue Cross Blue Shield in this arena as the Caring Program for Children will cease to exist on July 1, 1999.

Another challenge has been the 10% cap on administrative dollars. The goal of the Department was to make as many children as possible eligible under the Medicaid expansion in order to expend sufficient benefit dollars under Title XXI to ensure the availability of sufficient administrative dollars for the implementation of the phase two HAWK-I program.